

AMENDED IN ASSEMBLY APRIL 8, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 388

Introduced by Assembly Member Strickland

February 14, 2003

An act to add Section 19610.8 to the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 388, as amended, Strickland. Horse racing: deductions.

Existing law specifies the percentages to be deducted by a racing association or fair from the parimutuel pools for horse race wagering, and amount of these deductions varies based on the type of bet and type of racing. *Existing law provides for the payment of license fees to the state in amounts that vary depending on the type of racing, the type of bet, whether the racing meeting is a fair meeting, and other considerations. Existing law provides for the distribution of the amount deducted from the parimutuel pool to various entities based on the type of racing, and other factors.*

This bill would permit the California Horse Racing Board, notwithstanding these statutory percentages, to set the deduction for any new type of wager introduced after January 1, 2004, in an amount of not less than 10 nor more than 30% at the joint request of the association or fair and the horsemen's organization for the meeting of the association or fair accepting the new wager. *It would also set a fixed state license fee of 3% for these new types of wagers, and provide for the distribution of the funds deducted, as specified.*

Under existing law, revenues distributed to the state as license fees from horse racing are required to be distributed in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

By providing for state license fees of 3% for some new types of bets that otherwise would be subject to lower state license fees as exotic wagers, this bill would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote: ~~majority~~ ^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19610.8 is added to the Business and
2 Professions Code, to read:
3 19610.8. Notwithstanding any other provision of law, and in
4 lieu of any deduction *and distribution* provided for in this chapter,
5 upon the joint request of the association or fair accepting the
6 wager, and the organization representing the horsemen
7 participating in the meeting of the association or fair accepting the
8 wager, the board may set the total percentage deducted from the
9 parimutuel pool for any new type of wager introduced after
10 January 1, 2004, in an amount of at least 10 percent and not more
11 than 30 percent of the amount handled in the parimutuel pool for
12 the wager. *Three percent of the amount deducted shall be paid to*
13 *the state as a license fee and, if the wager was placed at a satellite*
14 *wagering facility or a location other than the host racing*
15 *association, eight percent shall be paid to the satellite wagering*
16 *facility or to the entity that processed the wager. In addition, with*
17 *respect to thoroughbred racing only, three percent of the amount*
18 *remaining after the payment of the state license fee and payment*
19 *to a satellite wagering facility or an entity that processed the*
20 *wager, if any, shall be deposited with the official registering agency*
21 *pursuant to subdivision (a) of Section 19617.2, and shall*
22 *thereafter be distributed in accordance with subdivisions (b), (c),*
23 *and (d) of Section 19617.2. Thereafter, for all kinds of racing, the*
24 *remaining amount shall be distributed 50 percent to the*

- 1 *association conducting the racing meeting and 50 percent to the*
- 2 *horsemen participating in the racing meeting as purses.*

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